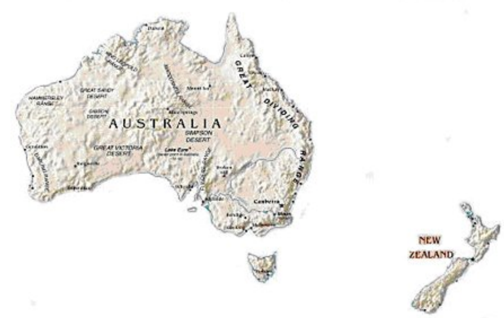
# AUSTRALIA: Laboratory & Scientific Equipment

*US$1 = A$1.21*

Phil Keeling
04/2007
ID: 140394

## Summary




In the past few years, the Australian science industry has grown and become an increasingly larger contributor to the commercial science world. Australia's science industry is made up of manufacturers, importers/distributors, laboratory and technical services providers and researchers producing laboratory-related goods and services used for measurement, analysis and diagnosis of physical, chemical and biological properties. The industry is recognized globally for its scientific research, innovative products and laboratory technical services.

Australia's domestic market for scientific equipment and laboratory-related services is estimated to be around $8 billion, although it is difficult to draw a line around the extent of the market. The range of equipment is vast.

Overall, the industry is growing at more than 10% annually, and has a research and development expenditure of 7.9% of annual sales. Over 80% of all scientific medical equipment originates from outside Australia, mainly from the USA, the EU, and Japan. Government hospitals and health centers play a decisive role as buyers. Government institutions in Australia are responsible for most of the purchases (about 70%) of medical equipment.

The Therapeutic Goods Administration, an agency of the Australian Government Department of Health and Aging, has responsibility for administering the Therapeutic Goods Act. Essentially, any product for which therapeutic claims are made must be either listed or registered in the Australian Register of Therapeutic Goods before it can be supplied in Australia. This report concerns itself with equipment that is <u>not</u> subject to these regulations.

## Market Demand

Australia is a mature market for laboratory scientific instruments. The main customers of the science industry are engaged in pathology, research and development, environmental testing, manufacturing, engineering, medical/health, and mining. During the recent surge in mining activity there is increased demand for analysis equipment in the areas of geological and mining exploration.

The laboratory and scientific equipment market is extensive and well developed, encompassing biomedical engineering, diagnostic and laboratory equipment, life support, monitors, therapeutic equipment and surgical instruments, medical storage systems, clean rooms, drug refrigerators, vaccine refrigerators, stainless steel products, theatre suite shelving and sliding basket systems and a range of other specialists.

In Australia, this industry is outperforming most others in terms of its growth, innovation and exports. The industry is highly export-oriented. Following the launch of Australia's Science Industry Action Agenda in late 2004, the industry has had a clear set of objectives, designed to encourage industry and scientific researchers to work more closely, and collaborate to enhance commercialization in the sector. The Action Agenda is an Australian government program, owned by the Australian science industry. Australia's science industry is globally recognized for its innovative scientific instruments, clinical diagnostics and laboratory technical services.

The Action Agenda is aimed at ensuring Australia's continued presence in an international market. One aim of the program is to increase exports from the current level of $850 million per annum to more than $2.5 billion by 2015.

Key priorities of the Action Agenda are:

- Commercializing more Australian public sector scientific research
- Growing exports to more than $2.5bn worth of product per year
- Generating revenues of more than $4bn per year
- Improving product and service quality
- Continuing to growing by an annual average of over 10%, and
- Harmonizing regulations and standards.

The industry includes manufacturers of high value added scientific and laboratory equipment and clinical diagnostic equipment, analytical laboratories and technical service companies, importer/distributors, and research organizations.

## Market Data

Medical and hospital equipment manufacturers and distributors in Australia are frequently large international corporations with subsidiaries or agents in Australia. There are also many Australian companies successfully competing in both international and national markets. The structure of the Australian medical equipment industry is similar to that of the main producing countries, like the U.S., characterized by a large number of small companies and a small number of large multinationals.

Currently, the large manufacturers and laboratory service companies export more than 90% of their production, leaving small and medium sized companies to supply the domestic market The main export markets for the small number of large manufacturers are the U.S. EU and North Asia.

Service industries, comprising pathology, medical/health, environment, R&D and education, and other testing laboratories provided the science industry with approximately 50 percent of its revenue. Manufacturing industries (including food processing) provide the science industry with 17 percent of its revenue.

Manufacturing production is $750 million, imports comprise $2.3 billion, and exports are estimated to be $730 million. Employment in the industry is approximately 51,000. Additionally, services production is estimated to be around $3.8 billion.

## Best Prospects

Following the global trend, there is a continuing search for quality, faster and more productive manufacturing and improvements in analysis, verification and diagnostic processes in all fields of industry, science, medicine and research. Opportunities exist in the growing sectors of biomedical research and development, environmental control and research, and product and process quality control (especially in the food and beverage industries). These sectors require increasingly capable equipment and look for improvements and new developments in equipment.

Allergy care equipment, ambulance and critical care equipment, bariatric medical equipment, body positioners, braces and supports, cardiology equipment, chiropractic equipment, compression wear, dental medical equipment, diagnostic devices, electrotherapy equipment, hydrotherapy supplies, urologicals, respiratory care equipment, pediatric medical equipment, rehabilitation and radiology equipment.

The most important drivers of the scientific equipment segment are government policy toward research and development, and government purchases. The Federal budget for healthcare spending in Australia is expected to grow on average by 2.3% per annum.

## Key Suppliers

Air Liquide Australia Ltd

Arthur Bailey Surgico Pty Ltd

Beckman Coulter Australia Pty Ltd

Becton Dickinson Pty Ltd

Bio-Rad Laboratories Pty Ltd

BOC Gases Australia Ltd

Bruker

Carl Zeiss Pty Ltd

Eppendorf South Pacific Pty Ltd

John Morris Scientific

Leica Microsystems Pty Ltd

Lomb Scientific (Australia) Pty Ltd

Merck Pty Ltd

Millipore Australia Pty Ltd

Olympus Australia Pty Ltd

Pacific Laboratory Products

Perkin Elmer Pty Ltd

Rofin Australia Pty Ltd

Rowe Scientific Pty Ltd

SGE International Pty Ltd

Shimadzu Scientific Instruments Pty Ltd

Thermo Fisher Scientific

Varian Australia Pty Ltd

## Prospective Buyers

Australia’s healthcare system is being fundamentally modernized. Numerous new hospitals are being built and existing facilities expanded. The market for medical technology will continue to benefit from this trend. As a result of the Australian Federal Government's *Backing Australia's Ability* initiative, there has been a substantial increase in the research funding of Australia's research institutes and universities, particularly in the life sciences sector with most success being in the biotechnology and medical research sectors.

The types of products and services sold by importers/distributors are laboratory consumables, research life sciences, environmental/chemical analysis, pathology/diagnostics, laboratory equipment, and mining.

## Market Entry

Successful market entry strategies include: understanding the market and the competitive environment, selecting the optimal Australian partner, and providing ongoing support to that partner in the market.

U.S. companies most often will appoint an Australian agent or distributor, who may specialize in a niche area, depending upon the products or services involved. Most distributors of medical products prefer an exclusive arrangement for the entire country, and some have the capability of distributing to New Zealand as well. Most of the criteria American firms use to select agents or distributors can be transferred to Australia, with expectations adjusted to the scale of the market.

## Market Issues & Obstacles

Australian-made chromatography components, infrared spectroscopes and other specialized equipment is set to become commonplace in international laboratories under a plan to triple exports by the Australian science industry over the next 10 years (Science Industry Action Agenda). Since the major U.S. and European manufacturers are represented in Australia, the market is well serviced by a large variety of products. However, there are opportunities for new and innovative products in the market.

## Trade Events

HOSPIMedica AUSTRALIA 2008 (Biennial)
May 3-15, 2008
Sydney Convention & Exhibition Center
Trade Visitors and Professionals Only
Hospital, Diagnostic, Pharmaceutical, Medical & Rehabilitation Equipment & Supplies
www.hospimedica-asia.com

Many Australian distributors of laboratory scientific instruments and end-users travel to the U.S. to attend leading conferences and trade shows such as Pittcon and AACC.

## Resources & Contacts

Science Industry Australia
PO Box 600
Eastwood NSW 2122
Tel: +61 2 9874 8830
Fax: +61 2 9874 5880
**http://www.scienceindustry.com.au**

Therapeutic Goods Administration (TGA)
PO Box 100
Woden ACT 2606
Tel: +61 2 6239 8645
Fax: +61 2 6232 8299
**http://www.tga.gov.au/devices/devices.htm**

## For More Information

The U.S. Commercial Service in Sydney, Australia can be contacted via e-mail at: phil.keeling@mail.doc.gov; Phone: +61 2 9373-9209; Fax: +61 2 9221-0573; or visit our website: www.buyusa.gov/australia

## The U.S. Commercial Service — Your Global Business Partner

With its network of offices across the United States and in more than 80 countries, the U.S. Commercial Service of the U.S. Department of Commerce utilizes its global presence and international marketing expertise to help U.S. companies sell their products and services worldwide. Locate the U.S. Commercial Service trade specialist in the U.S. nearest you by visiting http://www.export.gov/.